GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Prohibition & Excise Department – Government's avowed policy of reducing consumption levels of alcohol in the State – VAT on liquor rationalised – Keeping MRPs of liquor intact in tune with the Government policy of reduction in consumption of liquor – Orders - Issued.

REVENUE(EXCISE)DEPARTMENT

G.O.Ms.No. 313 **Dated: 09.11.2021**

Read the following:

1. G.O.Ms.No.312, Revenue (CT-II) Department, Dated:09.11.2021.
2. E-office file No REV04-24026(32)/10/2021-AM2-APSBCL received from the MD, APSBCL.

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ORDER:

The Government of Andhra Pradesh, by an avowed policy, is committed to reduction in the levels of alcohol consumption in the state, with a view to improve the physical quality of life of its people.

2. Several proactive steps have been taken by the Government in this direction. Notable among them are removal of 43,000 Belt shops spread across various villages throughout the State, dispensing with the Permit Rooms, reduction in the business hours, reduction in the maximum possession limit of intoxicants which a person can possess without license or permit, etc. Further, in order to ensure that there remain no belt shops in any village, the Government removed private people from operating liquor shops.

3. Further, the Government have reduced the retail outlets from (4380) to (2934) i.e., by about 33% to reduce access to availability of liquor and granted exclusive privilege to APSBCL to run these retail outlets in public interest. Furthermore, the Government issued orders to reduce bars by 40% from (840) to (530) which is subjudice.

4. In order to create awareness among the public on the evils of consumption of liquor/intoxicants, the Madya Vimochana Prachara Committee was constituted and awareness programmes are being conducted all over the State.

5. Furthermore, the Government have levied Additional Retail Excise Tax on liquor with a view to reduce consumption of liquor in the State as also keeping in view the objectives of preventing cross-border smuggling of liquor into the State rationalised the same to discourage the people from consumption of liquor in order to ensure a healthy society.

6. In the reference 1st read above, the Government have rationalised VAT on liquor for human consumption to bring about parity in the levy of VAT on liquor with the neighbouring States. It is noted that consequent on the rationalisation, there is an imperative need to ensure that it shall not run contrary to the objectives of the avowed policy of the Government of reducing consumption of liquor. In the reference 2nd read above, the Commissioner of Distilleries and Breweries & Managing Director, A.P. State Beverages Corporation Limited has submitted a proposal wherein he has proposed that keeping in view the avowed policy of the

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Government of reducing consumption levels of alcohol in the State, Special Margin may be specified on liquor to keep the existing MRPs of liquor unchanged.

7. The Government after careful consideration of the matter have decided to keep the existing MRPs of liquor unchanged by specifying Special Margin on alcoholic beverages.

8. Therefore, in exercise of the powers conferred by section 4-A of the Andhra Pradesh (Regulation of trade in Indian made Foreign Liquor, Foreign Liquor) Act, 1993, the Government in order to ensure that there is reduction in the consumption of liquor, has decided to specify Special Margin at the rates as detailed in the Annexure annexed to this order to be collected from the holders of licences issued under the Andhra Pradesh Excise (Grant of licence of selling by Shop and conditions of licence) Rules, 2019, the Andhra Pradesh Excise (Grant of licence of selling by Bar and conditions of licence) Rules, 2017 and the Andhra Pradesh Excise (Grant of licence of selling by In-house and conditions of licence) Rules, 2005.This would help in effective sustenance of the policy in view of the avowed objectives.

9. These orders shall come into force w.e.f. 10.11.2021.

10. This has got the approval of the Finance Department vide their U.O.Note No.FMUOASD(Revenue)/160/2021, dated:05.11.2021.

11. The Commissioner of Proh. & Excise and the Commissioner of Distilleries and Breweries & Managing Director, A.P. State Beverages Corporation Limited, shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner of Prohibition and Excise, Andhra Pradesh, Vijayawada.
The Commissioner of Distilleries and Breweries & Managing Director,
A.P. State Beverages Corporation Limited, Andhra Pradesh, Vijayawada.
The Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada.
Copy to:
PS to Prl. Secy to Hon'ble CM.
PS to Dy-CM, Revenue (Excise) Dept.
PS to Hon'ble Minister for Finance Dept.
PS to SPl. CS to Govt., Revenue(CT, Excise and R&S) Dept.
SC/SF

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE

(i)

Description	Point of levy	Rate of Special Margin
Indian Made Foreign Liquor (other than Beer, Wine and Ready to drink varieties) bottled and/or packed in India as per the provisions of Andhra Pradesh Excise Act, 1968, but excluding Toddy and Arrack Basic price (per case):	On the Landed cost (Basic Price + Excise Duty)	
(a) Up to Rs.400/-		90%
(b) Above Rs.400/- up to Rs.2,500/-		130%
(c) Above Rs.2,500/- up to Rs.3,500/-		105%
(d) Above Rs.3,500 /- up to Rs.5,000/-		90%
(e) Above Rs.5,000/-		85%

(ii)

Description	Point of levy	Rate of Special Margin
Beer bottled and/or packed in India as per the provisions of the Andhra Pradesh Excise Act, 1968 Basic price per case:	On the Landed cost (Basic Price + Excise Duty)	
(a) Rs.200 and below		100%
(b) Above Rs.200		115%

(iii)

Description	Point of levy	Rate of Special Margin
(a) Wines	On the Landed cost (Basic Price + Excise Duty)	65%
(b) Ready to drink varieties (RTD)		100%

Sd/-
Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT